

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
KNOX COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period July 1, 2004
Through June 30, 2005**



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Independent Accountant's Report

John R. Farris, Secretary, Finance and Administration Cabinet
The Honorable William S. Oxendine
Knox County Property Valuation Administrator
Barbourville, Kentucky 40962

We have performed the procedures enumerated below, which were agreed to by the Knox County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2004 through June 30, 2005. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Knox County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2005), to determine if amounts are accurate.

Finding -

The PVA has a receipts ledger, a disbursements ledger and reconciles bank records to books each month. No exceptions noted.

PVA's Response - My responsibility is to provide an accurate summation of all accounts and receipts. I have tried to do that.

2. Procedure -

Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

The recorded receipts agree to confirmed payment amount obtained from city governments. No exceptions noted.



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Knox County Property Valuation Administrator
(Continued)

3. Procedure -

Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

The budgeted statutory contribution by the fiscal court agrees to the legally required amounts calculated by the Department of Revenue. No exceptions noted.

PVA's Response - We have worked with the Fiscal Court as we could.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

Selected disbursements from the PVA's records agree to cancelled checks, paid invoices or other supporting documentation. Expenditures were for official business. All credit card statements were reviewed and expenditures were for official business. No exceptions noted.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

Capital outlay disbursements were compared with cancelled checks, supporting documentation, and proper purchasing procedures were used. The asset was added to the PVA's Capital Asset Inventory List. No exceptions noted.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

A lease agreement was examined for cost schedule and compared to actual payments. Services received were appropriate, for official business, and properly authorized.

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7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

The PVA's final budget compared favorably to actual expenditures. The PVA overspent one line item, but not the account series.

PVA's Response - I am still learning.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if the PVA was sufficiently collateralized for the year and if a collateral agreement exists.

Finding -

This question is not applicable since the PVA's bank balance never exceeds FDIC insurance coverage.

9. Procedure -

Determine whether timesheets are completed, maintained, and support hours worked.

Finding -

Timesheets are completed, maintained, and supported hours worked. No exceptions noted.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the PVA and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Crit Luallen
Auditor of Public Accounts

Engagement fieldwork completed -
May 4, 2006